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MILK MARKET INFORMATION BULLETIN
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 Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
 J. E. Bobo, Market Administrator

PROCUREMENT SECTION
 CURRENT SERIAL RECORDS
 MARKET SUMMARY - FEBRUARY 1974

The Chattanooga Order MINIMUM uniform producer price is \$9.40 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 7.8 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of \$2.30 above February 1973 and an increase of 7 cents above January 1974.

In February 1974, 65.7% of producer milk received by pool plants was priced in Class I at \$10.09 per cwt. and 34.3% was priced in Class II at \$8.14 per cwt. for milk testing 3.5% butterfat. The February handler butterfat differential for Class I was 8.2 cents and Class II was 7.4 cents.

Total producer milk received at pool plants during February 1974 was 29,498,282 pounds which is a decrease of 4,876,950 pounds or a daily average decrease of 14.2% compared with February 1973. The February daily average deliveries from 738 producers was 1,428 pounds. This compares to 745 farms delivering a daily average of 1,648 pounds per day during February 1973.

USDA ANNOUNCES DAIRY SUPPORT PRICES

Secretary of Agriculture Earl L. Butz announced on March 8 that the level of support for manufacturing milk will be \$6.57 per hundredweight for the marketing year which begins April 1, 1974, as compared to the present level of \$5.61. The \$6.57 level of support is estimated to be 80 percent of parity on April 1, 1974. This is in conformity with the provisions of the Agriculture Act of 1949, as amended by the Agriculture and Consumer Protection Act of 1973, which provides that the support for manufacturing milk shall be not less than 80 percent of parity through March 31, 1975.

The prices to be paid for dairy products by CCC, effective April 1, 1974, in order to carry out the announced level of support were also announced today. The announced purchase price of butter will not change except in California, Oregon and Washington, where it will be reduced two cents per pound to 59 cents per pound. While butter production has been decreasing nationally, in the Pacific Coast States it has been increasing in total as well as increasing proportionately to the rest of the country. The lower CCC butter purchase price in the west compared to the midwest was established in order to provide an incentive to move butter eastward into commercial markets.

The purchase price for cheese will be increased 5.75 cents per pound to 70.75 cents per pound, and the nonfat dry milk price will be increased 15.2 cents to 56.60 cents per pound. These purchase prices are designed to provide returns to butter and nonfat dry milk manufacturers as well as to cheese manufacturers that will enable them to pay to dairy farmers about the same prices for milk when market prices are at support while still encouraging consumption of butter. This is a change from last year's purchase prices which were designed to encourage production of cheese. The aim of last year's pricing provision has been accomplished as cheese production is currently running about 25 percent above a year ago.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	<u>% Feb. '74</u>			
	<u>Over</u>	<u>Feb.</u>	<u>Jan.</u>	<u>Feb.</u>
	<u>Feb. '73</u>	<u>1974</u>	<u>1974</u>	<u>1973</u>
Number of Plants - Pool		4	4	6
- Non-Pool		13	13	12
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	-14.2	1,053,510	986,881	1,227,687
Other Source	+90.8	74,934	85,825	39,272
Other Federal Orders	+118.2	105,442	97,465	48,324
TOTAL MILK RECEIPTS	- 6.2	1,233,886	1,170,171	1,315,283
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	-22.3	373,481	380,377	480,745
Skim	-17.3	21,152	20,940	25,579
2% Milk	+23.3	198,768	190,364	161,169
Buttermilk	-11.6	53,380	52,694	60,381
Flavored Milk & Drink	+ 3.1	26,306	25,735	25,503
Creams (Sweet and Sour) and Dip	-12.7	3,450	3,249	3,952
Yogurt		350	293	1,323
Pkg. Items Sub-Total (Pool Plants)	-10.8	676,887	673,652	758,652
Other (Shrinkage, Inventory, etc.)		1,871	2,987	3,246
Sales to Non-Pool Plants		14,006	61,964	208,682
In-Area Sales by Non-Pool Plants	+74.5	97,768	98,728	56,021
TOTAL CLASS I MILK	-23.0	790,532	837,331	1,026,601
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	-16.1	56,322	47,831	67,110
Livestock Feed and Milk Dumped		6,543	6,046	7,669
Shrinkage Class II		15,791	16,906	13,917
Other (Inv. Variation, Cottage Cheese, etc.)		51,762	64,196	41,820
Bulk Sales to Non-Pool Plants		312,936	197,861	158,166
TOTAL CLASS II MILK	+53.6	443,354	332,840	288,682
<u>CLASS I PACKAGED POUNDS</u>				
Distributed In Area - Pool Plants	-11.0	466,120	471,423	523,459
Distributed Out of Area - Pool Plants	-10.4	210,767	202,229	235,193
Distributed In Area - Non-Pool Plants	+74.5	97,768	98,728	56,021
% Producer Milk of Gross Class I		133.3	117.9	119.6
% Producer Milk Priced in Class I		65.7	74.8	78.2

TOTAL PACKAGE CLASS I POUNDS (DAILY AVERAGE) ON ROUTES IN THE
MARKETING AREA BY POOL PLANTS AND NON-POOL PLANTS

	<u>% Feb. '74</u>			
	<u>Over</u>	<u>Feb.</u>	<u>Jan.</u>	<u>Feb.</u>
	<u>Feb. '73</u>	<u>1974</u>	<u>1974</u>	<u>1973</u>
<u>PACKAGE ITEMS</u>				
Home Milk	-14.3	328,062	339,547	382,962
Skim	-11.3	16,312	16,295	18,396
2% Milk	+36.8	146,095	141,523	106,766
Buttermilk	- 3.9	45,354	45,563	47,199
Flavored Milk and Drink	+22.5	24,706	24,055	20,173
Fluid Creams, Yogurt and Dip	-15.7	3,360	3,168	3,984
Class I Package Pounds - In Area	- 2.7	563,889	570,151	579,480

COMPUTATION OF PRODUCER UNIFORM PRICE

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FEBRUARY 1974	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		22,134,907	2.773		
Less Other Source		2,763,557	2.680		
Producer Milk Class I	65.7	19,371,350	2.785748	\$9.504313	\$1,841,113.74
Gross Class II		12,413,902	5.047		
Less Other Source		2,286,970	1.075		
Producer Milk Class II	34.3	10,126,932	5.943340	9.948072	1,007,434.49
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	29,498,282	3.869768		\$2,848,548.23
Add Fractional Adjustment					.08
Add Value of Overage					381.84
Add Value of Class I Other Source and Producer Location Adjustment		5,385	0.00		10,310.59
Add ½ Producer-Settlement Fund Reserve					12,855.09
TOTAL VALUE AT TEST		29,503,667	3.869061	\$9.734708	\$2,872,095.83
Less Test over 3.5% @ 7.8¢ per point		29,503,667	.369061	.287868	84,931.62
TOTAL UTILIZATION VALUE AT 3.5%		29,503,667	3.5	\$9.446840	\$2,787,164.21
Less Producer Settlement Fund Reserve		29,503,667		.046840	13,819.52
PRODUCER UNIFORM PRICE - 3.5% TEST		29,503,667	3.5	\$9.40	\$2,773,344.69

Reports from the following pool plants were included in the computation of the Order uniform producer price for February 1974.

Dairymen, Inc., Chattanooga, TN

Mayfield Dairy Farms, Inc., Athens, TN

Flav-O-Rich, Inc.

Ray Moss Farms, Inc., Chattanooga, TN

Happy Valley Dairy Division, Rossville, GA

The February 1974 ORDER MINIMUM uniform producer price is \$9.40 per cwt. f.o.b. pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 7.8 cents for each one-tenth of one percent above or below 3.5 percent test. The Order minimum prices at test quoted below exclude premiums.

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$9.01	3.75	\$ 9.595	4.5	\$10.18	5.25	\$10.765
3.05	9.049	3.8	9.634	4.55	10.219	5.3	10.804
3.1	9.088	3.85	9.673	4.6	10.258	5.35	10.843
3.15	9.127	3.9	9.712	4.65	10.297	5.4	10.882
3.2	9.166	3.95	9.751	4.7	10.336	5.45	10.921
3.25	9.205	4.0	9.79	4.75	10.375	5.5	10.96
3.3	9.244	4.05	9.829	4.8	10.414	5.55	10.999
3.35	9.283	4.1	9.868	4.85	10.453	5.6	11.038
3.4	9.322	4.15	9.907	4.9	10.492	5.65	11.077
3.45	9.361	4.2	9.946	4.95	10.531	5.7	11.116
3.5	9.40	4.25	9.985	5.0	10.57	5.75	11.155
3.55	9.439	4.3	10.024	5.05	10.609	5.8	11.194
3.6	9.478	4.35	10.063	5.1	10.648	5.85	11.233
3.65	9.517	4.4	10.102	5.15	10.687	5.9	11.272
3.7	9.556	4.45	10.141	5.2	10.726	5.95	11.311

FEBRUARY 1974 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Butterfat Allocated	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	47.3	539,637	\$0.82	\$ 442,502.34
Class II	52.7	601,878	0.74	445,389.72
Total	100.0	1,141,515		\$ 887,892.06

Total Butterfat Value ÷ Total Producer fat pounds = \$0.777819

Producer Butterfat Differential per point variation from 3.5%--- \$0.078

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Feb. '73	\$7.10	-	-	8.0¢	\$7.56	8.1¢	\$5.45	7.8¢
Mar.	6.95 2/	\$7.07	\$5.55	7.8	7.58	8.1	5.55	7.4
Apr.	6.80 2/	6.95	5.63	7.4	7.60	7.7	5.63	7.1
May	6.94 2/	7.10	5.66	7.2	7.70	7.4	5.66	7.0
June	7.10 2/	7.24	5.73	7.2	7.78	7.3	5.73	7.0
July	7.32 2/	7.44	5.78	7.4	7.81	7.3	5.78	7.3
Aug.	7.74	-	-	8.0	7.88	7.6	6.38	9.0
Sept.	8.28	-	-	9.6	8.37	9.4	6.91	9.9
Oct.	8.33	-	-	10.0	8.53	10.3	7.49	9.1
Nov.	8.86	-	-	9.2	9.06	9.5	7.64	8.6
Dec.	9.20	-	-	8.6	9.64	9.0	7.94	8.3
Jan. '74	9.33	-	-	8.2	9.79	8.6	8.10	7.9
Feb.	9.40	-	-	7.8	10.09	8.2	8.14	7.4
Mar.	-	-	-	-	10.25	7.7	-	-
Apr.	-	-	-	-	10.29	-	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE					
	Chi. 92°	Chi. Area	Minn/Wisc.	(Daily Average)				Percentage Use	
	Butter	Powder	Mfg. Milk	Class I		Class II		Cl. I	Cl. II
	¢ Lb.	¢ Lb.	Cwt. -3.5%	Pounds	Test-%	Pounds	Test-%		
Feb. '73	67.71	40.34	\$5.45	959,795	3.09	267,892	7.19	78.2	21.8
Mar.	64.17	41.99	5.55	888,264	3.01	373,861	5.92	70.4	29.6
Apr.	61.58	43.98	5.63	767,656	3.02	540,208	4.95	58.7	41.3
May	61.00	45.20	5.66	793,404	2.93	484,871	4.80	62.1	37.9
June	61.00	45.24	5.73	779,652	2.98	407,557	4.87	65.7	34.3
July	63.43	45.51	5.78	763,373	3.03	247,383	5.55	75.5	24.5
Aug.	78.15	47.96	6.38	647,883	2.89	126,570	7.38	83.7	16.3
Sept.	85.94	50.07	6.91	675,195	2.80	71,764	11.48	90.4	9.6
Oct.	79.34	50.82	7.49	672,259	2.78	66,947	13.28	90.9	9.1
Nov.	75.00	51.04	7.64	690,996	2.83	65,376	14.87	91.4	8.6
Dec.	71.98	52.03	7.94	735,380	2.94	233,683	6.96	75.9	24.1
Jan. '74	68.49	55.13	8.10	737,793	2.86	249,088	7.15	74.8	25.2
Feb.	64.07	57.75	8.14	691,834	2.79	361,676	5.94	65.7	34.3

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA					
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per
	Hdlers	Receipts	Use	Plants	Prod.	Delivery	Delivery	Test-%	Farm
Feb. '73	18	1,315,283	1,026,601	6	745	1,227,687	-	3.99	1,648
Mar.	18	1,354,127	956,276	6	739	1,262,125	1,162,997	3.87	1,708
Apr.	18	1,412,799	839,607	6	732	1,307,864	1,162,188	3.82	1,787
May	18	1,367,832	861,685	6	726	1,278,275	1,140,405	3.64	1,761
June	18	1,273,527	843,702	6	720	1,187,209	1,076,817	3.63	1,649
July	17	1,128,476	857,423	4	630	1,010,756	938,848	3.64	1,604
Aug.	17	905,289	742,937	4	601	774,453	-	3.63	1,289
Sept.	16	954,718	786,950	3	567	746,959	-	3.63	1,317
Oct.	16	926,692	776,654	3	561	739,206	-	3.74	1,318
Nov.	16	916,985	793,538	3	553	756,372	-	3.87	1,368
Dec.	17	1,157,582	829,686	4	624	969,063	-	3.91	1,553
Jan. '74	17	1,170,171	837,331	4	626	986,881	-	3.94	1,576
Feb.	17	1,233,886	790,532	4	738	1,053,510	-	3.87	1,428

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I